



TO: Mayor and City Council
FROM: Linda McCrea, Interim Director of Utilities
COPY: Elizabeth Pauli, City Manager and Doris Sorum, City Clerk
SUBJECT: Resolution U-11000 – Amend policies to allow a pilot program that provides contributions by Tacoma Power of 30 percent for distribution infrastructure conversions from overhead to underground for commercial and multi-family development projects.
April 17, 2018
DATE: March 29, 2018

SUMMARY:

This resolution authorizes Tacoma Power to provide contribution of 30% for distribution infrastructure conversions from overhead to underground for commercial and multi-family dwelling development projects whether prepaid or with an LID. This resolution is being brought forward to the City Council for approval.

STRATEGIC POLICY PRIORITY:

Foster a vibrant and diverse economy with good jobs for all Tacoma residents.

BACKGROUND:

This undergrounding resolution supporting economic development has been long-awaited by the City Council and the Public Utility Board. Several iterations and options have been presented to the PUB in the past 18 months. The City Council and PUB offered support for the resolution at a presentation on March 20, 2018. Following, the PUB approved the Resolution at the PUB Board Meeting on March 28, 2018.

ISSUE:

This policy will leverage construction efforts with City Street Improvement Projects, support Subarea Planning efforts to underground electric facilities and will allow for zero lot line development. This policy will help support Economic Development and facilitate collaboration between the City and the Utility.

ALTERNATIVES:

Other alternatives were considered, including offering no contribution to underground conversions as well as a 20% contribution for underground conversions. Ultimately the 30% contribution was recommended for alignment with other franchise agreements as well as the other meaningful benefits to the City, the Utility and economic development.

RECOMMENDATION:

The resolution before you authorizes Tacoma Power to provide contribution of 30% for distribution infrastructure conversions from overhead to underground for commercial and multi-family dwelling development projects whether prepaid or with an LID. To limit potential fiscal impact, the proposed resolution has the following stipulations:

- The area will be limited to the Brewery District which is bounded on the north by South 17th Street, on the south by South Tacoma Way, on the west by Tacoma Avenue and on the east by Pacific Street.
- The time duration will extend for a three-year period; from April 1, 2018 through April 1, 2021.
- A maximum of \$10 Million dollars will be allocated for the entire pilot program.
- Projects need to be of a minimum practical size (e.g. at least one city block, where applicable, both sides of the street, etc.)



- Contributions will be limited to projects that have secured assurance that all overhead infrastructure will be converted to underground

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 Tacoma Power			\$10,000,000
TOTAL			\$10,000,000

* General Fund: Include Department

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Estimated to be \$3M in 2017/2018, \$6M in 2019/2020, \$1M in 2021/2022

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A